Government of Saskatchewan

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Cattle Market Update

For the Week Ending August 21, 2015

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Aug. 21/2015	Average	N.A.	N.A.	N.A.	$300.33	$276.83	$258.50	$248.50
Aug. 21/2015	Range	N.A.	N.A.	N.A.	290-317	265-295	255-268	245-259
week/week	Change	N./A.	N.A.	N.A.	-$9.17	N.A.	N.A.	$11.00
Aug. 14/2015	Average	N.A.	N.A.	N.A.	$309.50	N.A.	N.A.	$237.50
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Aug. 21/2015	Average	N.A.	N.A.	$300.17	$279.67	$254.67	$241.92	
Aug. 21/2015	Range	N.A.	N.A.	286-313	268-308	240-264	235-254	
week/week	Change	N.A.	N.A.	N.A.	N.A.	N.A.	$1.92	
Aug. 14/2015	Average	N.A.	N.A.	N.A.	N.A.	N.A.	$240.00	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficient data.

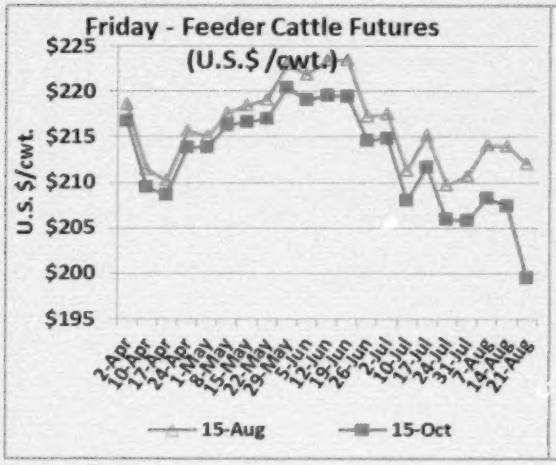
Canfax reported that a total of 3,069 head of cattle were sold in Saskatchewan this week, up from 1,733 head marketed the previous week. With higher volumes of feeder cattle for sale in Saskatchewan from the previous week, more feeder weight categories had prices reported.

Saskatchewan feeder steer prices had prices reported for the weight categories over 600 lb. Prices for the categories available were mixed but overall steady. The 600-700 lb. weight category declined $9.17 per cwt from the previous week to average $300.33 per cwt. The 700-800 lb. and 800-900 lb. feeder steer weight categories were higher than the estimated July averages, but not reported the previous week. The 900+lb. feeder steer weight category gained $11 per cwt from the previous week to average $248.50 per cwt.

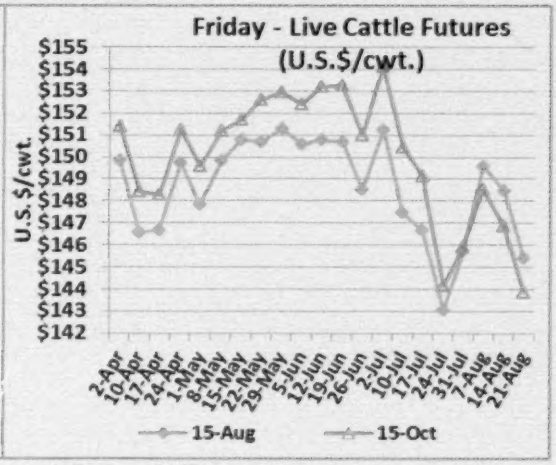
Feeder heifer prices were reported for the weight categories over 500 lb. The only price comparison from the previous week was the 800+lb. weight category which gained $1.92 per cwt over the week to average $241.92 per cwt. The remaining 500-800 lb. weight categories were higher than the estimated July average prices for each weight category.

The Saskatchewan 750 lb. feeder steer basis compared to the August 20, 2015, U.S. feeder cattle index at US$215.25 per cwt was calculated at -$6.62 per cwt (US$215.25/0.7594-$276.83), a basis narrowing of $7.00 per cwt from the basis of $-13.62 per cwt the same week a year ago, August 21, 2014.

Feeder cattle futures prices were primarily lower over the week with big declines on Wednesday and Friday, to end the week lower, week-over-week. The August to October 2015 contracts declined between US$1.900 and US$7.950 per cwt. The August contract declined US$1.900 per cwt to settle Friday at US$212.000 per cwt, while the October contract declined US$7.950 per cwt to settle Friday at US$199.475 per cwt.



Source: CME



Source: CME

Live cattle futures prices were mixed over the week with noticeable declines on Wednesday and Friday to end the week lower, week-over week. The nearby August contract declined US$3.025 per cwt to settle Friday at US$145.425 per cwt, while the October contract declined US$3.000 per cwt to settle Friday at US$143.850 per cwt.

Iowa cash corn prices and the nearby corn futures edged higher last week. Iowa cash corn prices on Friday were US$3.39 per bushel, up three cents from US$3.36 per bushel the previous Friday. The September corn futures contract increased just over one cent to settle Friday at US$3.65¼ per bushel, while the December futures contract increased almost two cents to settle Friday at $3.77¼ per bushel.

Fed and Non-fed Cattle

	August 21, 2015	August 14, 2015	August 22, 2014	Change over Week
Steers (Alberta)				
Live	$183.84	$184.90	$159.97	-$1.06
Rail	$306.00-307.50	$306.00-308.50	$263.50-270.75	$0/$-1.00
Cows (Alberta)				
D1,2 Live	$141.60	$141.21	$123.63	+$0.39
D3 Live	$129.00	$128.75	$110.90	+$0.25
Rail	$269-274	$268-273	$234-239	+$1.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta edged higher over the week. For the week D1,2 slaughter cows increased $0.39 per cwt to average $141.60 per cwt, while the price of D3 slaughter cows increased $0.25 per cwt to average $129.00 per cwt.

Fed cattle prices in Western Canada for Alberta fed steers were reported to average $183.84 per cwt for the week, down $1.06 per cwt from $184.90 per cwt the previous week. Alberta fed steer prices are currently almost $24 per cwt higher than the same week a year ago.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$147.19 per cwt, down US$3.43 per cwt from US$150.62 per cwt the previous week, and down 3.9 per cent from US$153.14 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$232.62 per cwt, down US$5.82 per cwt from US$238.44 per cwt the previous week, and down 3.8 per cent from US$241.86 per cwt the same week a year ago.

On August 21, 2015, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for August 1, 2015.

August 1, 2014 and 2015, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2014	2015	Per cent of previous year
On feed July 1	10,043,000	10,236,000	101.9
Placed during July	1,559,000	1,547,000	99.2
Marketed during July	1,787,000	1,725,000	96.5
Other disappearance during July	63,000	56,000	88.9
On feed August 1	9,752,000	10,002,000	102.6

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in July 2015 was 1.547 million head, down 0.8 per cent from 1.559 million head in July 2014, but up 4.5 per cent from 1.481 million head in June 2015. The number of fed cattle marketed in July 2015 was 1.725 million head, down 3.5 per cent from 1.787 million head in July 2014, and down 1.3 per cent from 1.747 million head marketed in June 2015. The July cattle placements were almost two per cent below the average trade estimates (100.9) while the cattle marketed in July were only a half per cent below the average trade estimates (97.0). The cattle on feed for Aug. 1, 2015 were estimated at 10.002 million head, 2.6 per cent above the August 2014 inventory numbers, but about 2.3 per cent below the July 2015 numbers. The average trade estimates were equal to the August 1 cattle on feed numbers (102.6). The numbers in the report were overall close to trade estimates with the biggest difference of almost two per cent less cattle placed in July 2015 than the average trade estimates.

Choice beef cutout prices (600-900 lb.) averaged US$245.75 per cwt, up US$3.09 per cwt or 1.3 per cent from US$242.66 per cwt the previous week, but down 2.5 per cent from US$251.96 per cwt the same week a year ago. While beef cutout values are currently below year-ago record levels, cutout prices have increased over the last two weeks and are still relatively strong and well above the 10-year average.

Beef production for the week was estimated at 446.0 million lb., up 0.4 per cent from 444.4 million lb. the previous week, but down 8.0 per cent from 485.0 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 540,000 head, steady from the previous week, but down 9.4 per cent from 596,000 head the same week a year ago.

Canadian Livestock Inventory Estimates

Statistics Canada reported that cattle on Canadian farms as of July 1, 2015 totalled 13.005 million head, down 2.1 per cent from 13.290 million head from July 1, 2014. Total inventory of cattle and calves was down about 23 per cent from the peak level recorded in 2005. The number of beef cows on Canadian farms as of July 1, 2015 totalled 3.792 million head, down 3.4 per cent from 3.927 million head on July 1, 2014. While profitability over the last two years for cow-calf producers has been excellent, raising expectations on expansion of the industry; high cow prices and continued consolidation in the industry has likely kept the industry from expanding. The dry spring and summer in Western Canada has also not been conducive for industry expansion.

In Saskatchewan the total cattle on farms as of July 1, 2015 totalled 2.715 million head, down 3.0 per cent from 2.800 million head as of July 1, 2014. Saskatchewan beef cow numbers as of July 1, 2015 totalled 1.147 million head, down 2.8 per cent from 1.180 million head on July 1, 2014. While cow numbers were down, total beef heifers on farm increased 3.4 per cent to 343,000 head and heifers for beef replacements increased 2.6 per cent to 202,500 head. Producers may have moved older cows at excellent cull prices and kept more heifers back.

Total steers in Saskatchewan on farm one year and older increased 5.6 per cent, year-over year, to 225,700 head as of July 1, 2015. However, calves under one year on beef operations declined 7.7 per cent, year-over-year, to 892,400 head.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on August 21. The United States' beef stocks in cold storage totaled 455.1 million lb. on July 31, 2015, down 4.0 per cent from 474.2 million lb. on June 30, 2015, but up 23.7 per cent from 367.9 million lb. on July 31, 2014. While U.S. beef stocks in July 2015 were below their all-time high storage levels, they were above their 10-year average for July.

United States combined pork, beef, chicken and turkey stocks in cold storage totaled 2.352 billion lb. on July 31, 2015, up 2.5 per cent from 2.295 billion lb. on June 30, 2015, and up 16.5 per cent from 2.020 billion lb. on July 31, 2014. Total meat in U.S. cold storage for July 2015 was above the maximum storage level for July compared to the last ten years, but still below the maximum fall levels.

Friday Price Information

Product		This Week (August 21, 2015)	Week of: (August 14, 2015)	Week of: (August 22, 2014)
Canadian Dollar (closing rate US$)		.7594	.7638	.9137
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		215.25	216.71	218.18
Seven-day Weighted Average FC Index Wt. (lb.)		767	761	768
Live Fed 5-area Steer Price (US$ per cwt)		147.19	150.62	153.14
Feed Grains				
Barley	Lethbridge ($/tonne)	N/A	216.00	175.00
	($ per bu.)	N/A	4.70	3.81
Corn	Iowa State Average (CDN$/tonne)*	175.74	173.18	152.09
	(US$ per bu.)	3.39	3.36	3.53
	Omaha, NE (CDN$/tonne)*	190.26	182.98	154.68
	(US$ per bu.)	3.67	3.55	3.59
Futures				
	Sept. Corn (US$ per bu.)	3.65¼	3.64	3.65½
	Dec. Corn (US$ per bu.)	3.77¼	3.75½	3.71½
	August Live Cattle (US$ per cwt)	145.425	148.450	151.850
	October Live Cattle (US$ per cwt)	143.850	146.850	147.000
	August Feeder Cattle (US$ per cwt)	212.000	213.900	216.100
	October Feeder Cattle (US$ per cwt)	199.475	207.425	210.900

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate (This week it is Thursday's CDN$)

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